

**From:** Fannjiang, Jean  
**Sent:** Monday, January 12, 2009 11:02 AM  
**To:** 'nordstromp@minterfield.com'  
**Cc:** Parilo, Joe; Lamoureux, David  
**Subject:** FW: Notice of Proposed Regulatory Action - Risk Pools

Hi Pamela,

Under the proposed regulation for the section 588.1 of the Risk Pools Regulations, our answers to your questions are as follows in blue:

When a new agency joins the pool, are the mandated benefits the additional contract benefits, i.e. survivor's benefits, military credit, etc.? And if so, if an agency does not have all of those benefits of the pool, do they have to add those benefits? The mandated benefits are specific benefits defined by Government Code section 20840. The mandate has been in place since July 1, 2005. These benefits are normally optional benefits for plans that do not participate in a pool. When a plan joins a pool, these benefits become available to employees only when the employer's contributions to the risk pool reflect the increased costs of the benefits. There currently is a two year lag for public agencies between the valuation date of an actuarial valuation and the effective date of the new employer contribution rates established by that valuation. Thus, in accordance with current time frames, employees of an employer that are required to join a risk pool on June 30, 2007 would not be covered by the risk pool's mandated benefits nor would employer begin to contribute toward the risk pool's mandated benefits until July 1, 2009.

Is this the costs being discussed? Yes, the increased costs of the mandated benefits are reflected in the employer contributions to the pool that the contracting agency is required to participate in.

Please do not hesitate to let me know if you have any other questions or comments.

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**From:** Parilo, Joe  
**Sent:** Wednesday, January 07, 2009 3:43 PM  
**To:** Nordstrom, Pamela  
**Cc:** Fannjiang, Jean  
**Subject:** RE: Notice of Proposed Regulatory Action - Risk Pools

Thanks for your written comment, Pamela. By cc, I'm forwarding your question to the subject matter expert for a response.

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**From:** Nordstrom, Pamela  
**Sent:** Wednesday, January 07, 2009 3:36 PM  
**To:** Parilo, Joe  
**Subject:** Fw: Notice of Proposed Regulatory Action

----- Original Message -----

**From:** [Pamela](#)  
**To:** [joe\\_parilo@calpers.ca.gov](mailto:joe_parilo@calpers.ca.gov)

**Sent:** Wednesday, January 07, 2009 3:23 PM  
**Subject:** Notice of Proposed Regulatory Action

Joe:

I would like to ask a qualifying question on the new proposed regulatory action to 588.1. When a new agency joins the pool, are the mandated benefits the additional contract benefits, i.e. survivor's benefits, military credit, etc.? And if so, if an agency does not have all of those benefits of the pool, do they have to add those benefits? Is this the costs being discussed?

Even though we are in a pool already, I just want to understand this proposal completely.

Thank you.

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